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House of Representatives
STATE OF OKLAHOMA

Full Committee Chairman:
Economic Development and Financial
Services

Full Committee Member:
Judiciary & Public Safety

Sub Committee Member:
Telecommunications & Utility Regulation
Energy

June 21, 2007

Dear Chairman Martin:

I write to urge the Commission to issue an order as quickly as possible adopting the recent recommendation of the Federal-State Joint Board on Universal Service to impose a temporary, emergency cap on universal service funding for competitive eligible telecommunication carriers (CETCs). During this interim period, the Commission should work as closely as possible with the Joint Board to ensure that thoughtful comprehensive reform of this very important program is implemented as expeditiously as possible.

Recent growth in USF has been exponential, notably due to funding for wireless and other competitive carriers, which has grown at over 100% for each of the last several years, while funding for incumbent carriers has remained flat since 2003. Consumers are bearing the brunt of this increase as the growth factor, which is passed on to their voice service bill, has increased from 9.7% to 11.7% in the last quarter alone.

Without a cap, USF funding for CETCs is likely to rise again by as much as \$500 million this year alone. Thus, I am concerned that without an interim solution, my constituents will continue to face rising bills without measurable benefits. While I support the value of the fund, until the Commission and Joint Board are assured that these monies are being spent as efficiently as possible, I think an interim cap is the right course to follow.

Consumers should not be footing the bill for further increases in funding support for competitive carriers until the Joint Board and the Commission can assure consumers that their money is being spent in a targeted, granular manner to achieve the key goals of the universal service program for the truly high cost areas in every state. I urge you and your colleagues to impose an interim cap on universal service support for competitive carriers and to proceed as quickly as possible down the path to comprehensive reform of the program.

Thank you for your consideration.

A handwritten signature in black ink, appearing to read "Ron Peterson".

Ron Peterson
Chairman, Full Committee on Economic Development and Financial Services